(ii) Under Income Tax act a deduction of 100% profit for five years and 25% profit for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables.

(iii) Customs duty on refrigerated vans reduced from 20% to 10%.

Paper on Indian food processing industry

2421. SHRI C. PERUMAL: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Association of Chamber of Commerce and Industry has submitted a paper on Indian food processing industry;

(b) if so, the details thereof;

(c) whether any steps have been taken to implement the recommendation;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (e) The suggestions of Association of Chamber of Commerce and Industry *inter-alia* were for creating direct access to agriculture produce, a revised food law, level playing field through taxation, facilitation of industry and exports etc. The Ministry of Food Processing Industries assists through its plan schemes. Facilitation of food Processing Industries as well as interactions with Industry Associations is an ongoing process.

Competition in food in food processing industry

2422. SHRI SYED AZEEZ PASHA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state whether Government have taken sufficient steps in view of the international competition in the food processing area because we could not imagine modern day competition in the age of globalization without proper upliftment of the food processing industry?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): The Government has implemented several Plan Schemes for promotion of food processing industries. The rate of financial assistance in the form of grant-in-aid for Technology Upgradation/Establishment/Modernization of food processing units is 25% and 33.33% of the total cost of plant and machinery and technical civil works subject to a maximum of Rs. 50 lakh in general areas and Rs. 75 lakh in difficult areas like North East, J&K, Uttaranchal, Himachal Pradesh, Sikkim, A&N Islands, Lakshadweep and ITDP area as well as other schemes for assistance.

The Domestic Product of the Manufacturing Sector pertaining to food products, beverages etc. for both the organized and the unorganized sector for the years 1993-2004 as available from the National Accounts Statistics, Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation, shows that both these sectors reflect an increasing trend. The figures for the organized sector has shown an impressive growth from Rs. 10324 crore in 1993-94 to Rs. 19086 crore in 2003-04, whereas for the unorganized sector the corresponding figure are Rs. 7054 crore in 1993-94 to Rs. 15540 crore in 2003-04. (These figures relate to constant prices of 1993-94). The unorganized sector has shown good growth *vis-a-vis* organized sector.

For making the domestic food processing sector more competitive, the Government has initiated following fiscal and policy measures:—

(i) Under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables.

(ii) Excise duty on dairy machinery has been fully waived for promotion of dairy processing industries.

(iii) Excise duty on food grade hexane used in edible oil industry has been reduced to 16%.

(iv) Customs duty on refrigerated vans reduced from 20% to 10%.

(v) Food processing idenified as industry with employment potential.

(vi) Food Processing to be a priority sector for bank credit; NABARD to create a refinancing window with a corpus of Rs. 1,000 crore, especially for agro-processing infrastructure and market development.

(vii) National Institute of Food Technology Entrepreneurship and Management to be set up; Paddy Processing Research Centre, Thanjavur to be developed into a National level institute.

(viii) Custom duty on packaging machines reduced to 5 per cent.

(ix) Excise duty on condensed milk, ice cream, preparations of meat, fish and poultry, pectins, pasta and yeast is fully exempt.

(x) Excise duty on ready-to-eat packaged foods and instant food mixes, like dosa and idli mixes, reduced to 8 percent.

(xi) Excise duty on aerated drinks reduced to 16 per cent.

(xii) Excise duty on packaging paper reduced to 12 per cent.

Quality of packed food products

2423. SHRIMATI N.P. DURGA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Government are considering the introduction of an integrated food law and also to amend the Mandi Act for better monitoring of the quality food products to help the farmers;

(b) if so, the salient features of the proposed legislation;

(c) whether the proposed legislation has any stringent punitive clauses for violating food laws, particularly packed food; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) and (b) An Integrated Food Law which is named as "Food Safety and Standards Bill, 2006" introduced by Ministry of Food Processing Industries in Parliament on 25.8.2005 has been passed by Parliament on 2.8.2006. The Bill aims to achieve the following: (i) to consolidate the laws relating to food; (ii) to establish the Food Safety and Standards Authority of India for laying down science based standards for articles of food; (iii) regulate manufacture, storage, distribution, sale and import of articles of food to ensure availability of safe and wholesome food for human consumption; (v) pool infrastructure, manpower, and testing facilities for better standard fixation and enforcement through their proper re-deployment.